

MINUTES OF THE  
ASSESSING STANDARDS BOARD  
Subcommittee on HB 547

**Approved as Written**

**DATE:** June 12, 2015

**TIME:** 9:30 a.m.

**LOCATION:** NH Department of Revenue Administration – Training Room, 109 Pleasant Street, Concord NH

**COMMITTEE MEMBERS:**

Betsey Patten, Public Member  
Eric Stohl, Municipal Official, Towns <3,000

Representative Peter Schmidt  
Joseph Lessard, NHAAO, Towns >3,000

**MEMBERS of the PUBLIC:**

Chris Boldt, Donahue Tucker & Ciandella  
Robert Gagne, Manchester  
Brenda Inman, NHEC  
David Cornell, NHDRA  
Bob Dunn, NHEC  
Kevin O'Quinn, FairPoint  
Karen Hanks, NHEC  
Bruce Berke, Sheehan Phinney  
Rosann Lentz, Portsmouth  
Andrea Curtis, George Sansoucy's Office

Jim Michaud, Hudson  
Kristen Cupach  
Simon Thomson, Sheehan Phinney  
Ellen Scarponi, FairPoint  
Dan Will, FairPoint  
Heidi Kroll, Granite State Hydro Power Assoc.  
Teresa Rosenberger, Devine Millimet  
Jonathan Block, Pierce Atwood  
William Ingalls, Bedford

Chairman Patten convened the meeting at 9:35 a.m.

She welcomed those in attendance and gave a brief overview of the purpose, intent and anticipated schedule of the subcommittee. A committee of conference is scheduled for Monday, June 15 on HB 547. With respect to the outcome of the committee of conference, this subcommittee will move forward with the examination of the issue.

**Background**

Ms. Patten summarized the issue relating to House Bill 547. The House passed a permanent assessing procedure to value property employed in the transmission of telecommunication, cable or commercial mobile radio services. The Assessing Standards Board, whose charge is to recommend standards and appropriate legislation relating to the administration of the property tax, requested the Senate send the issue to the ASB for the opportunity to conduct a forum, gather information and provide a recommendation of an assessing practice for this unique type of property to both the House and Senate.

**Plan of Action**

The first task is to determine whether or not there is a problem with the valuation of this type of property. The subcommittee will do this by collecting and analyzing information and hearing from as many people as possible to determine if there is a problem. If a problem is found, the next step will be to formulate a recommendation to the House and Senate.

Ms. Patten outlined the schedule which will include meetings in July, August, September and possibly October in order to prepare the findings and a recommendation by December 1. She informed the members of the subcommittee that all communication going forward, including e-mail, will be open to public and if there is communication that copies or documentation be provided for the record. The importance of a paper trail and the availability of an explanation for the decision that is ultimately made were emphasized.

Ms. Patten stressed the importance of receiving information from all associated entities involved with the assessment of poles and telecommunication services. One way to do this would be a survey which she has asked DRA to create that would assist with the gathering of information. This survey would be sent to municipalities and members of the NH Municipal Association as well as companies within the industry that would be willing to provide information. Ms. Patten added she has received copies of court cases for review and there are pending cases at the BTLA and Superior Court awaiting decision which may provide additional information and insight.

Ms. Scarponi, representing FairPoint Communications, stated the poles, which are part of an interconnected state-wide telecommunications infrastructure, should be valued on very specific criteria including the costs to manufacture and install the pole, height, width, class of service, age, number of years it is depreciated over and the residual value. She indicated she was prepared to explain and provide information where the number variations have come in and where they stand now, if needed.

A discussion took place about why some believe there is an issue and others do not. One issue presented was the bills from municipalities to the companies where the value of poles, conduits and right-of-ways were represented by one number versus three numbers which does not provide for transparency. It was stated that the values are not required to be broken out on the tax bill but most property record cards do provide this breakdown and are public record. Assessors that were asked were found to use the same type of methodology including the criteria mentioned and the majority did not see an inconsistency in the way the poles were valued. There was agreement on both sides that having the values broken out would help to illustrate whether or not there is an issue. Other considerations included joint ownership or percentage of ownership, multiple properties and what cost to consider, original cost or replacement cost new.

### Survey

A discussion took place about what information should be gathered. A suggestion was made to collect data from 2011-2014 as 2011 was the first year the exemption was not in place. This information is necessary in order to determine whether the perceived mess is shaking itself or action is needed.

Ms. Scarponi added the 2011 data is the crux of the issue. Information was missing from both the municipalities and companies and bills were rendered. This is where the disproportionate numbers originated and as municipalities have and have not updated since then, based on the 2011 data; this is where we feel we can demonstrate the discrepant values.

After further discussion, the following criteria for the survey were suggested:

- Last Revaluation
- Settlement values
- Percentage of ownership
- Co-ownership, if any
- Assessment Ratio

Questions to be answered:

- Find Parameters to create fairness, transparency and accountability.
- How are/should telephone poles be assessed
- Define Replacement cost new

The real estate described in HB 547 includes structures, poles, towers and conduits. Therefore pertinent information relative to structures, poles, towers and conduits will be requested in order to make a determination. If any of the entities are unable to provide this information, the committee asks that a reason explaining why it is not available be submitted. Once the information is received and reviewed, it should help in the determination of whether or not the disparities exist and begin the conversation of how to assess.

### Schedule to Collect Information

Mr. Cornell, Mr. Lessard and Mr. O'Quinn will meet after the meeting to determine the information that will be requested. The survey will be completed and ready to distribute to municipalities, relevant entities and assessing firms by Friday, June 19. If there are communities that are unable to provide information within the time frame to be determined, we will still want the information when they are able to provide it. If information cannot be provided, submit a brief reason why.

The question was raised whether electric companies would be included in this request. A brief discussion took place about co-ownership, rental income and the cost approach. It was determined that the electric companies would not be included at this time. If the committee determines there is a problem and the cost approach is suggested as part of the solution, this information may be presented in the committee's recommendation to the House and Senate. It was agreed it was not needed at this time.

A brief discussion took place about conduits and the availability of information. Mr. O'Quinn, representing FairPoint Communications, stated what information is available is the original cost of each community through CPTM. The miles/feet of conduit within each municipality may be difficult to find, if at all, but this is something the board feels should be studied.

### Meeting Schedule

Meetings will be held on the following Thursdays at 9:30 a.m. at a location to be determined (TBD)

July 9, 23  
August 13, 27  
September 10, 24

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Mr. Lessard motioned to adjourn. Representative Schmidt seconded the motion.

Chairman Patten adjourned the meeting at 11:20 a.m.

Respectfully submitted, Stephanie Derosier  
NH Department of Revenue Administration – Municipal and Property Division

Documentation relative to the Assessing Standards Board may be submitted, requested or reviewed by:

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Web: [www.revenue.nh.gov](http://www.revenue.nh.gov)  
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In person at: 109 Pleasant Street, Concord  
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